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SUBJECT: PRC/BURMA: READ-OUT OF PM SOE WIN VISIT

REF: RANGOON 0206

SUMMARY

- 11. (SBU) China does not support external interference in Burma's internal affairs but emphasized to visiting Prime Minister Soe Win that China wants to see real progress on national reconciliation and economic development, MFA Asian Affairs DDG Zhao Jianhua told a gathering of diplomats on February 23. PM Soe Win said Burma is committed to developing its national economy, maintaining stability and carrying out the seven-step road map to build a modern and democratic country. During his February 14-18 visit to China, PM Soe Win had meetings with Chinese leadership in Beijing, signed economic agreements that gained Burma 130 donated passenger train cars and \$200 million in credits and loans and visited high-tech development parks and special economic zones in Xi'an, Guangzhou and Shenzhen. Zhao said China does not support UNSC action against Burma because Burma does not present a regional security threat. China pushed Soe Win for continued counternarcotics cooperation and agreed to solve the illegal logging dispute through dialogue. End summary.
- 12. (SBU) On February 23 MFA Asian Affairs Deputy Director General Zhao Jianhua briefed the diplomatic corps on Burmese Prime Minister Soe Win's February 14 - 18 visit to China. During his first official bilateral visit as Prime Minister, Soe Win made stops in the cities of Beijing, Xi'an, Guangzhou and Shenzhen. (Note: Soe Win had visited China twice before to attend ASEAN and Great Mekong Sub-Region (GMS) events.) In Beijing, Soe Win met with President Hu Jintao and National People's Congress Chair Wu Bangguo and held talks with Premier Wen Jiabao.

PM Soe Win's Message

13. (SBU) Soe Win told the Chinese leaders that Burma is committed to developing its national economy, maintaining national stability and carrying out the seven-step road map in an orderly manner. The third National Convention, during which participants discussed power distribution between the central and local governments as well as among the three branches of government, is now complete. The next step is to discuss the basic rights and obligations of Burma's citizens, general elections and the role of political parties. Soe Win said the Burmese government and its people are devoted to building a modern and democratic country.

PRC Message to Burma

14. (SBU) Zhao said Premier Wen told PM Soe Win that it is China's policy that Burma's domestic political and economic issues should be decided internally and that the international community should create a relaxed atmosphere to allow Burma to pursue the democratic process. As a neighbor, however, China is concerned about the situation in Burma and hopes Burma can maintain stability, promote economic development and make real progress toward national reconciliation. (Note: In response to a question, Zhao tacitly agreed that China had shifted to using "national" instead of "ethnic" reconciliation, saying that the former has a "wider" meaning.)

Donations, Credits, Loans and Economic Zones

15. (SBU) As previewed in reftel, Soe Win signed eight agreements, leaving China with a donation of 130 passenger train cars, assistance in building the GMS Information Superhighway and general buyer credits and loans totaling over \$200 million. The two countries also signed contracts for China to supply sub-loans and equipment to Burma's national telecommunication project, as well as equipment and services for a hydroelectric power project. Without elaborating on the details, Zhao said Burma and China also signed agreements on general economic and technical cooperation and aviation services. Zhao said Soe Win showed great interest in China's development during his visits to Xi'an, Guangzhou and Shenzhen, inquiring about how China developed its special economic zones and high-tech development parks and asking for copies of relevant regulations and policies. Burma is planning to establish a

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special economic zone near Rangoon.

16. (SBU) Responding to questions, Zhao said that while China does not support countries interfering in the internal affairs of Burma and does not support UNSC action because Burma does not pose a threat to regional security, China also emphasized to Soe Win that China wants to see concrete progress and development. Narcotics trafficking is a critical issue for China, which wants close cooperation and coordination with Burma to tighten control along the border. Illegal logging was briefly discussed with both sides agreeing to find a solution through dialogue and cooperation. The movement to the capital to Pyinmana was not discussed, nor was the planned visit of the Malaysia FM-lead ASEAN delegation to Burma. Sedney